

Michael O. Leavitt Governor Ted Stewart Executive Director James W. Carter Division Director

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 801-538-5340 801-359-3940 (Fax) 801-538-5319 (TDD)

June 8, 1995

Steven Gale SRS Mining P. O. Box 855 Beaver, Utah 84713

Re: Notice of Intention to Commence Small Mining Operations, Flake #1 & #2/Bud #4 & #5 Project, S/027/019, Millard County, Utah

Dear Mr. Gale:

On March 16 and 27, 1995, this Division received copies of your Notices of Intention to Commence Small Mining Operations from the BLM's Warm Springs Resource Area. The applications for the proposed Flake #1 & #2 Project and the Bud #4 & #5, located in Sections 23, 26 and 35, T23S, R9W, SLBM, Millard County, Utah is complete and no additional information is required at this time. Because of the close proximity of the sites, we are combining all activities within sections 23, 26 and 35 into one project file.

As you are aware, the Flake #1 and #2 project located in Section 35, was formerly operated by Desmond Shields (Black Rock Mining Company). All reclamation liability for this site will now be the responsibility of SRS Mining. By copy of this letter, we hereby formally release Desmond Shields from any further reclamation liability for the Flake 1 & 2.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices", and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

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Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

Tom Munson

Reclamation Hydrologist

jb Enclosure

Desmond Shields, Black Rock Mining (former owner/operator)

Rody Cox, BLM, Warm Springs RA (UTU-070664) Minerals File

S027019